

**REQUEST FOR APPROVAL**

**To:** Howard Levenson  
Deputy Director, Material Management and Local Assistance Division  
  
Mark De Bie  
Deputy Director, Waste Permitting, Compliance and Mitigation Division

**From:** Brenda Smyth  
Branch Chief, Statewide Technical & Analytical Resources Branch

**Request Date:** April 9, 2015

**Decision Subject:** Adoption of the Five-Year Plan for the Waste Tire Recycling Management Program (8th Edition Covering Fiscal Years FYs 2015/16 to 2019/20)

**Action By:** April 21, 2015

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**Summary of Request:** This Request for Approval is for the adoption of the biennial update (eighth edition) to the Five-Year Plan, which covers FYs 2015/16 to 2019/20 as required by statute, for submittal to the Legislature by July 1, 2015. The report, entitled *Five-Year Plan for the Waste Tire Recycling Management Program – (8th Edition Covering Fiscal Years 2015/16-2019/20) Report to the Legislature*, can be found in Attachment 1.

**Recommendation:** Staff recommends adoption of the *Five-Year Plan for the Waste Tire Recycling Management Program – (8th Edition Covering Fiscal Years 2015/16-2019/20) Report to the Legislature*, including the funding allocations delineated therein.

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**Deputy Director Action:**

On the basis of the information and analysis in this Request for Approval and the findings set out above, we hereby approve the *Five-Year Plan for the Waste Tire Recycling Management Program – (8th Edition Covering Fiscal Years 2015/16-2019/20) Report to the Legislature*.

**Dated:** 5/1/15

  
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Howard Levenson  
Deputy Director

  
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Mark De Bie  
Deputy Director

**Attachments:**

- Attachment 1: Five-Year Plan for the Waste Tire Recycling Management Program – (8th Edition Covering Fiscal Years 2015/16 to 2019/20) Report to the Legislature
- Attachment 2: Comments from the Tire Program’s Five-Year Plan Workshop – October 2014

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## **Background Information, Analysis, and Findings:**

Senate Bill (SB) 876 (Escutia, Statutes of 2000, Chapter 838) was enacted to provide a comprehensive measure to extend and expand California's regulatory program related to the management of waste and used tires. SB 876 required CalRecycle to adopt and submit to the Legislature a Five-Year Plan with proposed budget allocations including grants, loans, contracts, and other expenditures under the Waste Tire Recycling Management Program (Tire Program). In addition, it requires that the Five-Year Plan be updated every two years. The original Five-Year Plan and subsequent editions also were developed based on the recommendations contained in AB 117 (Escutia, Statutes of 1998, Chapter 1020). The original Five-Year Plan for the Waste Tire Recycling Management Program (Five-Year Plan) that was adopted in March 2001 covered Fiscal Years (FYs) 2001/02 to 2005/06. CalRecycle has adopted a new edition of the Plan every two years since then. The current, seventh edition of the Five-Year Plan was adopted in March 2013 and covers FYs 2013/14 to 2017/18.

SB 876 created the resources and regulatory protocol to establish programs that properly manage the waste tire flow for California. The programs specified to implement the provisions of SB 876 are detailed in the Five-Year Plan and include the following elements:

- Waste Tire Enforcement – This program regulates waste tire facilities and ensures compliance with applicable tire regulations at the state level and through a local government enforcement grant issued by CalRecycle.
- Waste Tire Remediation – This program provides State-managed cleanup, abatement, or other remedial actions related to illegal waste tire stockpiles and through local government cleanup grants issued by CalRecycle.
- Waste Tire Hauler and Manifest – This program regulates waste tire haulers and ensures compliance with applicable tire regulations, and is responsible for developing a system that enables CalRecycle to track the flow of waste tires in the State.
- Tire Research – This program focuses on developing new and promoting existing end-use applications for waste tires. Ultimately these end-use applications will provide alternatives to the landfill disposal of tires.
- Market Development – This program identifies new and promotes existing technologies that are utilized for used and waste tires; services include loans, grants, and technical assistance and other contracts.

In 2005, SB 772 (Ducheny, Statutes of 2005, Chapter 214) further required CalRecycle's predecessor, the Integrated Waste Management Board, to include in the Five-Year Plan a section describing specific California-Mexico border region activities, conducted in coordination with the California Environmental Protection Agency. These include training programs, environmental education training, development of a waste tire abatement plan, tracking tire flows across the border, and coordinating with border region and Mexican businesses with regard to environmental and control requirements. In 2009, SB 167 (Ducheny, Chapter 333, Statutes of 2009) expanded on SB 772.

### **Stakeholder Comments**

For each revision of the Plan, CalRecycle also has sought stakeholder input. This eighth edition was the subject of a stakeholder workshop conducted on October 21, 2014. Several interested

parties attended the workshop and provided comments and input on the key elements of the Plan. During the stakeholder workshop the discussion centered primarily on proposed revisions to the budget allocations and program activities. Attachment 2 summarizes comments received during the October 2014 workshop and provides detailed CalRecycle staff responses. The primary issues included:

- 1) Cleanup and Amnesty grant programs -- Stakeholders voiced their concerns about the proposal in the draft plan that the Cleanup and Amnesty grant programs be phased out over the next couple of years. In response, CalRecycle has changed to Plan to recommend extending these two grant programs. At the same time, however, and in light of the new role of the Local Conservation Corps (see next comment), CalRecycle also is proposing that local jurisdictions applying for these grants demonstrate how they are coordinating with Local Conservation Corps to obtain assistance and how that reduces the local government's need for funding, or to demonstrate that no such services can be coordinated.
- 2) Local Conservation Corps -- Stakeholders also were concerned about the new role of the Local Conservation Corps in cleanup and amnesty event activities and the associated funding from the Tire Program. As noted in Attachment 2, the FY 2014/15 Budget established the Local Conservation Corps allocation from the Tire fund, and CalRecycle has been working closely with the Corps to ensure that activities and expenditures are appropriately related to waste tire management.
- 3) Research on tire-derived aggregate and rubberized pavement -- Stakeholders inquired about the continuing need to fund tire-derived aggregate and rubberized pavement research and testing. Staff shared the key role these long-term sustainable markets play in CalRecycle's waste tire diversion goals and the new projects that are on the horizon.
- 4) Health effects of synthetic turf fields -- Some stakeholders questioned if a new study on the health effects of turf fields should be conducted. CalRecycle contracted with the Office of Environmental Health Hazard Assessment (OEHHA) to review previous scientific studies and conduct additional research on the health effects of using crumb rubber in synthetic field turf and a report was published in 2010. The report concluded that for detected VOCs, exposures were below health-based screening levels, suggesting that adverse health effects were unlikely to occur in persons using artificial turf. CalRecycle is unaware of new findings based on scientific study that link significant health impacts to the use of recycled crumb rubber in synthetic turf. However, this is a controversial topic. CalRecycle is committed to working with OEHHA and other appropriate entities to assess new scientific information, and CalRecycle is working with OEHHA to develop and conduct a new study on this issue.
- 5) Long-term vision -- Several stakeholders expressed concerns over the long-term vision that was discussed at the workshop because implementation of this vision could significantly change waste tire management and markets in California and have effects far beyond the state's border. While many stakeholders would prefer a free-market system with no subsidies, CalRecycle's perspective is that subsidies will continue to be needed to ensure that waste tires are incorporated into beneficial end-uses, and that a new approach is needed to significantly increase the real recycling rate, which is around 40 percent (as opposed to the diversion rate, which has hovered around 90 percent). As CalRecycle noted at the workshop, this vision would require legislative action; many details would have to be vetted before making such a paradigm shift, including the timing of such a shift, appropriate funding levels, how to ensure a sustainable tire recycling market, and whether and how to reduce or eliminate other incentives for various products and markets.

**The Proposed Plan** (see Attachment 1 for details of programs and proposed allocations)

CalRecycle's goal as stated in the last several editions of the Plan has been to achieve 90 percent diversion of waste tires from landfills by the year 2015. Affiliated goals include the following:

- Developing long-term, sustainable, and diversified market demand for California tire-derived products;
- Ensuring the protection of public health, safety, and the environment while developing a high-quality supply infrastructure to meet that demand; and
- Fostering information flow and technology and product development so that diversion goals are achieved with supply and demand in balance.

The enforcement elements of the proposed Tire Program are designed not only to protect public health, safety, and the environment but also to provide for a fair and consistent marketplace for recycled tires. CalRecycle has moved aggressively to expand tire enforcement efforts and revise current regulations. In 2014, CalRecycle completed a four-year process to amend its waste tire storage, disposal, permitting and enforcement regulations. Among the changes made, the amended regulations incorporate the 2010 and 2013 changes in the California Fire Code, simplify the waste tire facility permit reapplication procedures, establish a notification requirement for excluded waste tire facilities, and streamline the waste tire enforcement process. The new regulations took effect on October 29, 2014.

CalRecycle enforcement staff provides technical assistance and training to the regulated community that includes tire haulers, tire generators, and permitted tire facilities. However, if a business demonstrates an unwillingness to comply, and is not responsive to technical assistance and training, then CalRecycle initiates enforcement action. Tire facility permitting, coupled with expanded and robust statewide enforcement efforts, is working to ensure a level playing field for tire facilities, haulers, and generators who operate within the law.

With respect to diversion and market development, after reaching an all-time high of 93 percent diversion in 2012 (and exceeding CalRecycle's 90 percent goal), the overall waste tire diversion rate dipped to 87 percent in 2013 due to a decrease in tires exported overseas. Tire disposal increased proportionately in 2013 to about 13 percent from an all-time low in 2012 of 7 percent of all tires. Waste tire exports are very dynamic and the increase in 2012 was mainly a result of the continued, unprecedented rapid growth in the export of waste tires to Pacific Rim nations, largely for use as tire-derived fuel (TDF), which is now the largest single end-use destination for California waste tires. While exports are estimated to have declined in 2013, it appears that they will rebound in 2014.

Under the proposed plan, CalRecycle's current market development programs would continue to focus on increasing the processing of California waste tires into California-produced tire-derived products. To move CalRecycle closer to this goal, in 2014 a new pilot tire incentive program was established. This pilot program provides economic incentives to participating manufacturers to increase sales to businesses. CalRecycle continues to believe that a variety of markets that use California-produced products is preferable, rather than focusing on only one primary market, even if the cost per tire varies among these end-uses.

Also, with the recent concern regarding the use of tire rubber in artificial turf fields, CalRecycle is contracting with the Office of Environmental Health Hazard Assessment (OEHHA) to review previous scientific studies and conduct additional research on the health effects of using crumb rubber in synthetic field turf. This interagency agreement with OEHHA will use reallocated funds from fiscal year FY 2014/15, and funding in the plan for FYs 2015/16-2016/17; it is possible that more funding may be needed in the future for additional research, pending results from this new study.

CalRecycle also has included a new border tire activity in the plan that will: 1) better define current problems by updating information on used and waste tire flows in the border region; and 2) work with key partners to clarify and prioritize which projects would best contribute to long-term environmental protection in the region.

CalRecycle also has outlined a vision for the future that would, as noted in the above section on stakeholder comments, focus on increasing the recycling rate rather than just the diversion rate. The vision is to implement an expanded program that provides incentive payments for desired end-uses of tires. Implementing this vision would require new legislation and programs, so this edition of the Plan continues to focus on existing programs.

